

FOR IMMEDIATE RELEASE  
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## ADVANCE FEE LOAN SCAMS ON THE RISE

According to the Montana Consumer Protection Office, Advance Fee Loan (AFL) companies have already victimized hundreds of thousands of consumers around the country, and have inflicted millions of dollars in consumer injury. AFLs usually advertise in classified sections of newspapers, offering loans of \$1,000 to \$15,000 to consumers who have bad credit or no credit. When a consumer calls the company's number, often an 800 or 900 number, seeking a loan, an AFL telephone salesperson, or "loan broker," asks a few basic questions about the consumer's income, and then tells him or her to call back in 10 or 15 minutes. Invariably, a consumer who calls back is told that the requested loan has been approved. The loan broker then tells the consumer that he or she must send a money order -- usually between \$200 and \$300 -- as a "processing" or "application" fee, and that the money order must be sent by overnight mail, purportedly so that the promised loan can be delivered within a week or ten days. The loan broker promises the consumer orally that the processing fee will be returned if the loan "offer" is at some later point rescinded. The victimized consumers unfortunately never recover their "processing" fees.

If you are not dealing directly with a lending institution on your own behalf, the following guidelines will help you avoid being victimized by an advance fee swindler:

- Know who you are doing business with. Obtain the name of the loan representative and the name, address, and telephone number of the company.
- Don't accept the promoter's claims of guaranteed loan services at face value.
- Insist on being told the name of the lending institution which supposedly will fund your loan.
- Verify with the supposed lender all oral and written representations made by the promoter regarding support from that lender.
- Ask for names, addresses, and phone numbers of other customers of the promoter, and contact them to see if they got their loans.
- Consider consulting an attorney or accountant for advice.

Remember: Ask yourself why the promoter can obtain a loan for you from a legitimate lender when you yourself have been turned down for a loan, perhaps many times. Take care of your precious assets by exercising caution when asked to pay a loan fee in advance.

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